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This means war

As I write this, we're just about ready to pack it in and close up the office for the holidays. Santa, if you're reading this, I'll let you know what I'd like for the New Year. I want my seamless TV pipeline now, dagnabit. I'm sure the jolly old soul does not respond to such petulant demands, BUT imagine if we actually did have that wireless, one-stop entertainment box from which we could choose whatever show or movie was tickling our fancies at the moment with just the touch of one button? You know, The Living Room of the Future (read Fuuuuuture) we've all been promised since around 2002 that has yet to materialize.



Sure, content streaming is available in North America via Nintendo, Xbox Live and Netflix, but their program offerings are currently limited by the dictates of Byzantine licensing agreements. For example, good luck finding first-run movies on Netflix Canada. Harry Potter films? They don't exist, according to this service. And anything approaching this golden content delivery system for your living room right now requires an IT systems degree to construct and the willingness to commit gross violation of copyright laws, along with the wherewithal to search out those illegal downloads, to fuel it.

I do think consumers, especially parents, would happily shell out the US\$100 or so a month they spend on linear cable to instead access what amounts to an unlimited VOD pipeline through the internet. However, the owners of existing broadband pipelines—namely the cable and telephone giants who pay the likes of networks like Nickelodeon and Disney carriage fees to lure subscribers and generate billions in revenue—are not going to cede their dominance anytime soon, despite what Google and Apple are telling everyone.

As 2011 wound down, media outlets devoted a lot of space to the brewing battle between internet-based Google TV and Apple TV. Google CEO Eric Schmidt declared in late December that Google TV software would be installed on most new television sets in 2012. Apple, meanwhile, is said to be preparing an "assault on television," as Steve Jobs had allegedly declared from his death bed that he had "finally cracked" the TV formula for the company. (It has tried and largely failed for years to make a dent in the broadcast landscape with the Apple TV device.)

How Google or Apple, for that matter, are going to circumvent current broadcast distribution and licensing agreements to access the content required to make their TV plans viable, hasn't taken up a lot of space in this recent spate of reportage. And the reason for that may be that the question is largely unanswerable—I believe those rights agreements will have to be ripped from the hands of their current holders, as the thing of true value in this brewing three-way bust up (Google vs. Apple vs. cable/telcos) is the content. What this means in the long term, perhaps, is that content will finally become king *for realz*, with producers having more opportunities to generate revenue directly from many more sources. In the short-term, though, it means that I'll likely end up with the proverbial lump of coal in my stocking—a subscription to the very limited Netflix Canada. Sigh.

Happy New Year!

Lana

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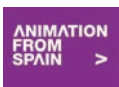
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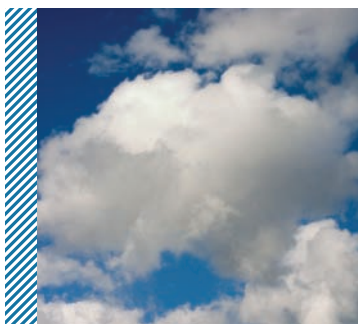
The List

Five things on our radar this month



1 The ratings rumble

It could be a case of they said/we said. After years of boasting top Nielsen ratings, Nickelodeon US did a double-take upon finding its scores down between 15% and 20%, according to the industry-standard metrics measurer. Nick parentco Viacom called for an exhaustive assessment of the national TV ratings and countered that the double-digit drop experienced in the fall was a glitch, an error on Nielsen's part, if you will. Nielsen, meanwhile, looked into the matter and admitted to *The Wall Street Journal* that it had erred—but only in its report of growth in the number of kids watching TV. It turns out, the size of the kids two to 11 audience actually shrunk by 2.9% when compared to fall 2010 figures. The TV ratings firm, however, stuck by its other measurements, which not only included Nick's dip, but also marked ratings increases for rival Disney Channel and a slight decline for Cartoon Network. It appears Nick and Nielsen have reached an impasse, but we're sure this isn't the last we've heard of it.



2 The Cloud on gaming horizon

Mobile is taking a bite out of videogame sales, but cloud-based gaming may soon rain on console manufacturers' parades, too. Californian companies such as OnLive, Gaikai and Appoxy are working on skipping right past the Wii and Xbox to stream high-end videogames instantly to smartphones, tablets and PCs. Transmission times are improving and game developers are taking notice, offering titles via the Cloud day-and-date with their retail releases.



3 More Annoying in 2012

The Annoying Orange keeps on rolling. Since its debut in 2009, the web series from The Collective has attracted more than 850 million views on its dedicated YouTube channel. With deals lined up for Annoying Orange apparel, toys, talking plush figures, an iPhone app and a half-hour series on Cartoon Network, it appears there's plenty of juice left in this brand.



4 Apps get rated

The Wild West of mobile apps might get a bit tamer with a new voluntary ratings system in place. The 700,000-plus iOS and Android apps currently available in the US can be classified, thanks to a new partnership between the Entertainment Software Ratings Board (ESRB) and wireless association CTIA. Six categories ranging from EC (Early Childhood) to AO (Adults Only) are on the books.



5 Euro crisis

The battered Euro didn't rebound in 2011 as much as some analysts had expected. At press time, the currency was trading just slightly above the US\$1.2907 that marked its all-time low last January. The devalued Euro, coupled with the continent's consistent overall drop in industrial production, has many fearing a deep recession in Europe is at hand. Well, 2012 awaits.

➔ To keep up with the news as it happens, check out Kidscreen.com daily.

Change your story to plot your future

BY KATE EBNER

Are you a victim of the tales spun from your successes?

Leadership expert Kate Ebner outlines why it might be time for a rewrite—and it's not as difficult as you might think.



Suzanne has a reputation for top-quality work and the ability to solve seemingly impossible problems under pressure. "I'm famous for achieving the impossible," she told me ruefully. "It used to be my hallmark. Now, it's a curse. People say 'give it to Suzanne, she'll figure it out.' I'm constantly fighting fires, and I'm burning out."

How did Suzanne get here? It began when she stepped up at home to help her struggling parents by taking on whatever needed attention in the household. "Suzanne can do anything," she overheard her mother say proudly. Her "successful Suzanne" story continued in college, where she earned excellent grades and led group projects, ensuring that her teams' work reflected her standards and creative flair. Promoted early on in her career for "exceeding expectations," Suzanne's reputation and view of herself was cemented. As she puts it, "The Suzanne story is: you can count on me for miracles. Yikes!"

In this case the stories we're talking about are the ones we tell to *ourselves* and *others* about ourselves. They're not always positive, but they are real in our minds and we tend to hold onto them. Taking a page from Dr. Phil, we'd like to ask "How's that workin' for you?"

This question underscores the fact that our stories are simply our way of creating meaning in our lives day-in and day-out and may not, in fact, be workin' for us at all—just like in Suzanne's case. Luckily, we can examine the narratives we've built around ourselves and decide to change those stories.

You are the author of the story you tell the world about yourself—and you can change the story if you choose. Are you ready to create a completely fresh, new story about you—one that's empowering and releases you from roles you may have taken in the past?

Join us on February 6, 2012 at Kidscreen Summit for our Leadership Training Day. We'll help you recognize the story you're living in—and create the story you really want for yourself. (For more info, check out summit.kidscreen.com/2012/agenda_master_classes.html)

Top leadership coach Kate Ebner is the founder and CEO of The Nebo Company (www.nebo-company.com), a leadership consultancy based in Washington, DC. Kate teaches executives at Fortune 500 companies, nonprofits and government agencies how to use vision as a powerful and practical tool for manifesting the important changes they want to see. You can reach Kate via kebner@nebocompany.com or at 202-966-3201.

Choose your own adventure

Ready to change your story? This four-step process will open your eyes to the way you currently view your story and get you ready to author the next chapter of your life:

- 1. Create a timeline of your life up until now.** Include important personal and family events and milestones—the good, the bad and the ugly.
- 2. Step back and review the story.** Now that you've laid it out, look at the timeline. What do you notice about this story? Write down your thoughts and feelings.
- 3. You are the hero.** We are each the hero of our own narratives. As heroes, we have strengths that help us overcome adversity and lead to our successes. We also have anxieties, fears and vulnerabilities that make us human and require courage to overcome. Ask yourself: What are my strengths? What roles have I taken in my life story? What lessons have I learned along the way? How have these lessons shaped my life today? Then write those answers down.
- 4. How's that workin' for you?** You've accomplished a great deal, learned from life and have grown in the process. You carry this story with you every day. Now ask yourself what needs to change. How do you like your story? Are you happy with the roles you've assigned yourself? Are you ready to let go of some self-limiting aspect of the story?

With awareness of your current story, you can choose a new one, let go of the beliefs and baggage you've outgrown and opt to take on new experiences, relationships and roles. Celebrate your old story—but don't let it stand in the way of the future you really want!

Out of Office

Tales from the frequent fliers club



John Rice
CEO, JAM Media

1. In my carry-on
you'll find an iPad, iPhone, Kindle, magazines, noise-cancelling headphones and Duty Free shopping—and a towel, after having sat next to a very drunk 15-year-old on a flight to New York once.



2. My go-to gadget
is my nose-hair trimmer.

3. On the fly
I've learned ways to avoid flying RyanAir.

4. Preferred in-air tunes
"Blue Lights on the Runway" by Bell X1

5. Best in-flight food
...was on Korean Air—bizarrely, I quite enjoyed it.



6. Best power-lunch
Soho House, London

7. Window or aisle?
Middle—much better networking opportunities.

Looking for your next Award Winner?

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'A Matter of Loaf & Death' ©Aardman Animations Ltd 2008

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To find out more about the companies on the

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Famous Flying Films	Smart Party
Fun Crew Ltd	The Children's Media Conference
Jollywise Media	The Creative Garden
Kanoti	The Pineapple Lounge
Kerrupt Stop-Motion Animation	@ Firefish
Kindle Entertainment	The Show 4 Kids PLC

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Congratulations to our 2012 Programming nominees!



PRESCHOOL

Best Animated Series

- Abby's Flying Fairy School (Sesame Workshop/Speakeasy FX)
- Babar and the Adventures of Badou (Nelvana/TeamTO)
- dirtgirlworld (mememe Productions/DHX Media)

Best Non-Animated or Mixed Series

- Driver Dan's Story Train (TwoFour54/3Line Media)
- Fairytales of Mr. Sandman (Efteling B.V.)
- Sesame Street (Sesame Workshop)

Best One-Off, Special or TV Movie

- Dino Dan (Sinking Ship Entertainment)
- Imaginext, Either Ore (Fisher-Price)
- Imaginext, Serpent Pirate Ship (Fisher-Price)

Best Companion Website

- Bananas in Pyjamas (ABC 4 Kids)
- Octonauts (Silvergate Media/Plug-In Media)
- The Cat in the Hat Knows a Lot About That (Big Bad Tomato/Cricket Moon Media/Random House Children's Entertainment/Portfolio Entertainment/Collingwood O'Hare Productions)

KIDS

Best Animated Series

- Rated A For Awesome (Nerd Corps Entertainment)
- The Amazing World of Gumball (Cartoon Network Studios Europe/Dandelion Studios/Boulder Media/Studio Soi)
- Transformers Prime (Hasbro Studios)

Best Non-Animated or Mixed Series

- Horrible Histories (Lion Television/Citrus TV/CBBC)
- How to be Indie (Heroic Television/Sudden Storm Entertainment)
- Me & My Monsters (Sticky Pictures/Tiger Aspect Productions/ The Jim Henson Company UK)
- My Place Series 2 (Matchbox Pictures in association with ABC3 and ACTF)
- Tati's Hotel (Screen Door/Machine Productions)



38 nominees for the 2012 Kidscreen Awards recognizing excellence in Programming—across preschool, kids and tweens/teens demos on-air and online—were selected by our panel of esteemed judges from among the more than 300 entries we received. The second round of judging includes input from industry experts and kids and parents around the world. Winners will be announced during the KS Awards ceremony to be held at Kidscreen Summit (February 7 to 10) on Thursday, February 9. All Summit participants are invited to attend!



Best One-Off, Special or TV Movie

- Heart Catch Pretty Cure! The Movie: Fashion Show in Paris! (Toei Animation Co.)
- Wapos Bay: Long Goodbyes (Wapos Bay Productions/National Film Board of Canada)
- ZhuZhu Pets, Quest For Zhu (Moonscoop/Dream Garden)

Best Companion Website

- Horrible Histories (Lion Interactive Team)
- Power Rangers Samurai (Saban Brands)
- Shaun the Sheep (Aardman Animations)

TWEENS/TEENS

Best Animated Series

- Bob's Burgers (Bento Box Entertainment/20th Century Fox Television)
- Dan Vs. (Film Roman—a Starz Media company/The Hatchery)
- Total Drama World Tour (Fresh TV)

Best Non-Animated or Mixed Series

- Dance Academy (Werner Film Productions/ABC/ZDF/ZDFE/ACTF)
- In Real Life 2 (Apartment 11 Productions/YTV)
- Leonardo (Kindle Entertainment)

Best One-Off, Special or TV Movie

- How the Earth Became Round (Cinquième Etage Production/Canal+/Kwanza Distribution)
- My Babysitter's A Vampire (Fresh TV)
- Some Dogs Bite (Kindle Entertainment)

Best Companion Website

- In Real Life Interactive (Secret Location)
- The Next Star (Tricon Film & Television)
- Total Drama World Tour Online (Fresh TV)



kidscreen® AWARDS 2012

Kudos to our 2012 Broadcast finalists!

Competition in our Broadcast categories was fierce. Kidscreen's editorial team had the challenge of whittling down a robust field to just 18 nominees. But Kidscreen readers have a tougher task at hand in determining the ultimate winners via online voting. All will be revealed at the Kidscreen Awards ceremony, taking place at Kidscreen Summit on Thursday, February 9!



Channel of the Year

- CBBC (UK)
- Family Channel (Canada)
- PBS Kids (US)

Best Channel Design

- ABC 4 Kids
- Cartoon Network (Summer Bump—Upchuck)
- France 3

Best Channel Website

- ABC 4 Kids (www.abc.net.au/abc4kids)
- Cartoon Network (www.cartoonnetwork.com)
- PBS Kids (www.pbskids.org)



Best Integrated Promotion

- Cartoon Network (How to Train Your Dragon DVD launch with Paramount Home Entertainment)
- Cartoon Network (Diary of a Wimpy Kid)
- PBS Kids (The Cat in the Hat Knows a Lot About That launch)

Best Interstitial Campaign

- Cartoon Network (Adventure Time 6:58)
- Family Channel (Family rebrand)
- Family Channel (Family summer branding)

Best On-Air Host or Hosting Team

- ABC 4 Kids (Jimmy Giggle and Hoot the Owl)
- PIWI+ (Kevin Métayer)
- TeleTOON+ (Caroline Costa)



A real character

Ben Bocquelet impresses the brass at Cartoon Network to land first deal



Who Ben Bocquelet began his animation career creating characters destined to star in TV ads. Years later those characters and their variety of styles and formats would inspire the visual mash-up that drives *The Amazing World of Gumball*. In fact, just a year into his gig working on character design and storyboards at Cartoon Network Studio Europe, he answered an open call for series pitches that led to his first big break.

Gumball is born “Until the last minute, I was rewriting and reboarding and re-editing the pitch,” says Bocquelet.

Gumball, the first series produced by the four-year-old CN studio, follows the misadventures of 12-year-old cat Gumball and his family, who live in the weird town of Elmore. Also a bit on the odd side, his school friends include a T-Rex, a cheerleading peanut and a banana. It was its fresh comic appeal and visuals (achieved by setting 2D and CGI animation against live-action backgrounds) that really impressed the international programming team at CN.

Behind the scenes The complex mixed-media production took two years to complete. CN did much of the work in-house, but turned to Ludwigsburg-based Studio Soi for CGI elements and Boulder Media in Ireland for additional animation and the compositing of live-action footage with images rendered in Photoshop.

As for bringing the story to life, Bocquelet worked closely with the storyboard artists to collaborate on comedic scripting and visual gags. He says much of the show’s humor comes from making fun of little everyday happenings and behaviors. “To gain consensus that we’d got a joke right, we basically all had to laugh at it ourselves, and if we didn’t laugh at it, it had to be changed,” he says.

Fan boy Bocquelet says the writing team infused the series with layered humor, including nods to classic ‘80s films, to appeal to adults as well. “My wish is that people watch the show together as a family with the lights off, like we used to do when *Looney Tunes* was on,” he says.

Next up CN has already commissioned a second season of the series, which will consist of an additional 40 x 11-minute eps. Bocquelet says he learned valuable lessons about character development, humor, technical focus and scripting a story on-budget from various mentors on the CN team.

Now at work on season two of *Gumball*, Bocquelet says getting into creating narratives has inspired him to craft even more down the road. He’s looking at live-action series and animated features as formats—all comedy-based. —Kate Calder

Know your audience

By Jim Benton



A CHILD'S FAVORITE
FOOD IS
NOT CANDY,
OR PIZZA.

IT IS
ADULT
HUMAN
LIFE FORCE.

©jimbenton.com

A vibrant background of colorful starburst or firework-like patterns in shades of pink, orange, yellow, and blue.

Look who's turning 20!



In an exclusive anniversary tribute that will be part of our **MIPTV issue**, *Kidscreen* is helping Cartoon Network celebrate two decades of connecting with kids around the world on every platform that touches their lives.

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A new US study finds TV is still tops with kids, even amongst an ever-growing melee of digital platforms

BY KATE CALDER

Singled out

At

a time when kids content creators are under pressure to expand their scope beyond TV to mobile and other digital platforms, a new study released by San Francisco-based research firm Common Sense Media (CMS) serves as a reminder that TV continues to dominate kids' media use. Time spent with new mobile media is undoubtedly increasing, but it continues to lag way behind larger-screen media among children eight and under. In fact,

CMS's *Zero to Eight: Children's Media Use in America*, released late last fall, found that US kids under eight spend a total of just five minutes each day using cell phones, iPods/iPads or similar devices to play games, watch videos or employ apps. Compare that to the one hour and 44 minutes per day they spend watching TV or videos, the 29 minutes spent daily on reading and listening to music, and the 25 minutes devoted to playing computer or console games.

"Clearly television is still king of all media," says the report's author Vicky Rideout, who owns an independent consulting firm and was previously VP of the Kaiser Family Foundation, where she established the Program for the Study of Media and Health.

For its part, *Zero to Eight* was derived from a survey of more than 1,300 US parents of kids ages zero to eight. Panelists were randomly recruited using address-based sampling and digital telephone surveys. Households that didn't have computers or internet access were given a notebook computer and dial-up access to complete the online survey. The CMS study's findings were then broken down by age, race, gender and socio-economic status.

"If you're trying to reach kids with any kind of pro-social messages media can be an incredibly effective way to do that," says Rideout. "So you need to know what kind of media kids are using and when they are using it," she adds.

Though TV is still king, digital media use among children is on the rise. The study found that just over half of zero to eights have access to one of the newer mobile devices at home—either a smartphone (41%), a video iPod (21%) or a tablet (8%). And more than 25% of the parents surveyed have downloaded apps for their kids. In a typical day, 11% of kids use a cell phone, iPod, iPad or similar device for 43 minutes.

The app gap

The disparity between the 11% of kids who use a mobile device for 43 minutes per day and the overall average—just five minutes per day—speaks to the growing digital divide between socio-economic groups in the US.

"There's a great deal of hope and potential being placed on mobile interactive media to play a big role in terms of informational education," says Rideout. "It's really important to remember that if we place educational content on those platforms, it is not reaching lower-income kids right now, and those are the kids we most need to reach with this content," she says.

Rideout explains that not only are those lower-income kids not part of the mobile audience yet, but it's unclear as to when or how they will join it. In fact, she expects the disparity between lower-income and more affluent children to persist, pointing to how long it took for lower-income families to obtain regular access to computers—a problem she noted more than 20 years ago. (Today, just 48% of kids from households with an annual income under US\$30,000 have computers in their homes,

"It's really important to remember that if we place content on those platforms, it is not now reaching lower-income kids and those are the kids we most need to reach with this content"

—Vicky Rideout

Author of *Zero to Eight: Children's Media Use in America*

compared to 91% from households making US\$75,000 or more.)


"If we want to tap into the power of media to help with education for low-income kids, we can't walk away from television," says Rideout.

The biggest screen

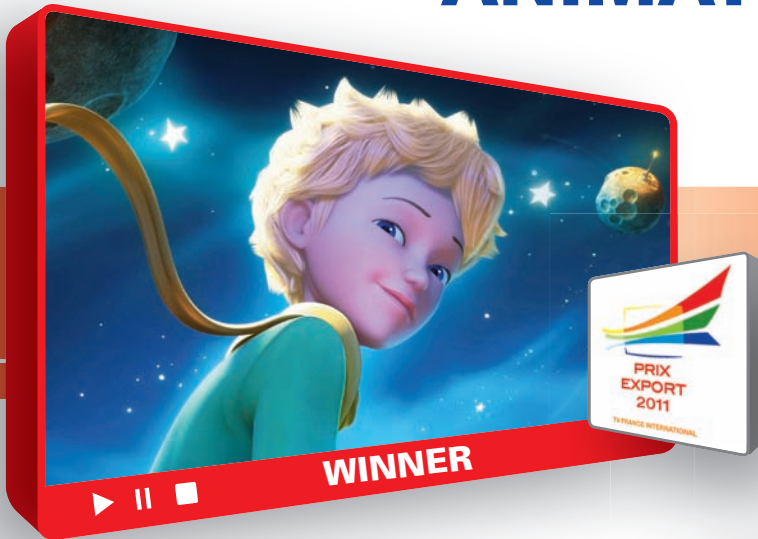
Zero to Eight found that 25% of lower-income kids are more likely to obtain educational content from the television than from other media. About 5% play educational computer games and only 2% have access to educational games or apps on mobile devices. In fact, broadcast television (read terrestrial TV) in the US is the most accessible and widely used platform for educational content among lower-income kids. Almost all members—93%—of this group have a TV in their homes, but only 53% have access to cable or satellite programming, meaning most rely on public broadcasting to serve their viewing needs. It also means that lower-income kids (26%) are more likely to consume educational content than their well-off counterparts (17%) because curriculum-based programming makes up a bigger part of public service broadcast schedules than it does of those on cable networks.

More TV for the under-twos?

When it comes to television consumption in the time since Rideout conducted a similar study for the Kaiser Foundation in 2005, she says the main difference now is that time spent with TV has increased—especially for children under two years old. In 2005, approximately 19% of US kids under age two had TVs in their bedrooms. That number now sits at 30%, which Rideout says suggests preschoolers are watching more TV without their parents in the room.

Also on the rise among households with children under age two is the tendency to leave the television on in the background, whether or not anyone is watching it. "Background television has the tendency to interrupt children's thinking and play," says Rideout. "Studies have documented that it interrupts their play an average of three times a minute," she says, adding that those interruptions increase the amount of time it takes to learn a motor skill through play. 

FRENCH TV EXPORT AWARD 2011 — ANIMATION



The Little Prince

MEDIATOON
DISTRIBUTION

The Garfield Show



Oggy
and the Cockroaches

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International

Teletoon's playful new logo interacts directly with the channel's characters like Entrée from animated comedy *Spliced*



Keeping it unreal

Teletoon Canada refresh creates a place where anything is possible

The challenge Faced with an increasingly competitive broadcast landscape in Canada with boy-targeted Disney XD's launch last spring, animation station Teletoon knew it had to do something to keep top of mind with kid viewers. Recently conducted market research, in fact, revealed that the channel just wasn't standing out enough for viewers. "Outside of describing that we were about cartoons, kids weren't really able to describe anything unique about the brand," notes Russell Ward, VP of marketing.

The Plan In response, Teletoon set about overhauling its on-air branding. The aim was to re-establish the net's identity as a funny, surprising and playful destination that reflects the irreverence of its core audience, boys six to 11. With a new tagline "Teletoon: It's Unreal" as both an homage to the animated zeal of the programming and the guiding principle of the refresh, the net set about instilling a squash-and-stretch sensibility across its idents and programming.

"We wanted to have everything land on the Teletoon brand," says Ward. "For starters, the channel got a wilder, albeit more consistent, on-air look that incorporates the programming right into the Teletoon environment. Before, promos and clips would air on endplates and land on the logo after the fact." Now the programming interacts playfully with a dynamic new logo that's infused with Teletoon's personality; it protrudes, collapses and chases after series characters accordingly.

The programming The rebrand embraces the unreal, exaggerated reality of toons and plays throughout the schedule.

"You won't see us doing traditional sitcoms, or animated versions of live-action shows," says Ward. Series like the mixed-media game show *Skatoony* and newly acquired Warner Bros. reboot *The Looney Tunes Show* underscore the channel's point of difference, he contends. For example, the channel declared last November Cartoon Science Month. On-air segments

highlighted series that illustrated how animated worlds operate on principles different from the one in which we live—consider the phenomenon of "Roadrunner physics," for example.

New non-animated fare on Teletoon now includes the Japanese game show-inspired series *Hole in the Wall*, which airs through the week at 8:30 p.m. and on Sundays at 7:30 a.m., and *Beyond Human*, a hosted series that searches the world for real people with super-human abilities. Ward also points to Cookie Jar's *Mudpit*, which has a live-action band competing in an animated world.

In terms of animated fare, the channel bowed new series including *Best Ed*, *Young Justice*, *My Life Me*, *Meta Jets* and *Detentionaire* this fall. "All of them bring that element of animation where the rules don't apply and anything can happen in our world," says Ward. Top-performing returning shows, meanwhile, include *Johnny Test*, *Star Wars: Clone Wars* and *Scooby Doo: Mystery Incorporated*.

Community events To support the refresh, Teletoon staged several "unreal" surprises this fall in Toronto and Montreal. *Hole in the Wall* benefited from a number of installations at street festivals, zoos and local amusement parks, in which kids could contort themselves to fit through life-sized cutouts, like the ones seen in the show. The Teletoon-branded ice cream truck also made numerous unexpected stops in and around Toronto for three weeks at summer's end, shelling out free treats.

Next moves Buoyed by the refresh, Teletoon.com hosted more than 10.5 million video plays in its first quarter, an increase of 355% compared to the 2.3 million video plays recorded in the same period in 2010. Ratings for the channel's Big Ticket Movie timeslots have also shot up. The Sunday morning slot is the number-one draw for kids two to 11 among all channels. As for programming needs, the channel is looking for more of the same in terms of comedy and content that's 100% related to animation. "We want to tie back to this exaggerated reality, with comedy and an unreal essence driving the shows," says Ward. —Kate Calder

Box of fun



To reflect the brand message that anything is possible, the new Teletoon logo takes flexible to a whole other level, morphing into different shapes, textures, materials and personalities wherever it's required—its letters rotate and extrude to become the center of a playful navigation system.



Slap chop

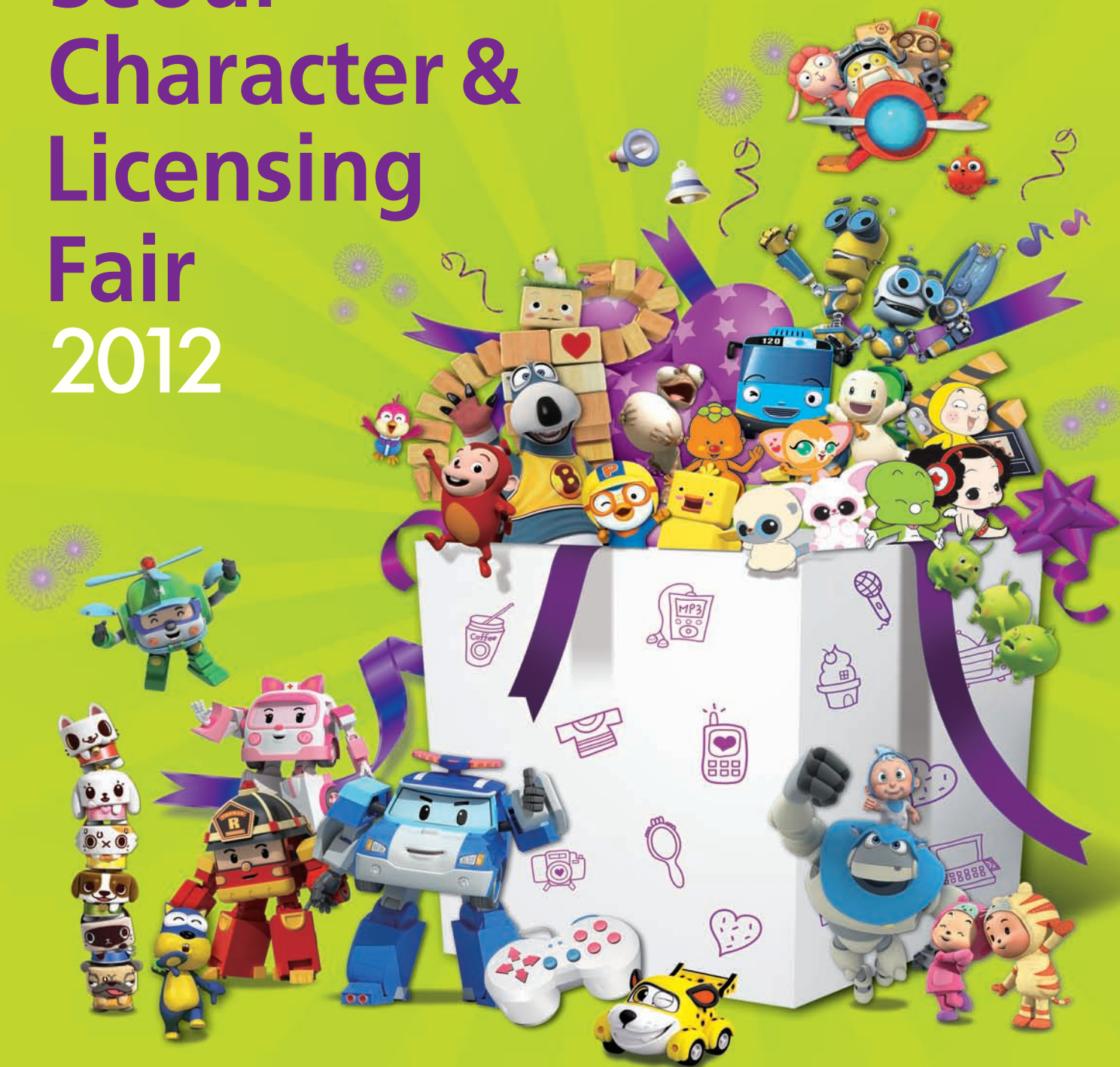
Known in-house as "the box of fun," the logo also gets sliced on occasion as part of its new remit to change and morph in unexpected ways.



End mark

As part of the refreshed on-air universe, Teletoon's programming and characters are regularly integrated into the brand's personality with comic, playful and surprising spins, as illustrated above by Jimmy Two Shoes.

Seoul Character & Licensing Fair 2012



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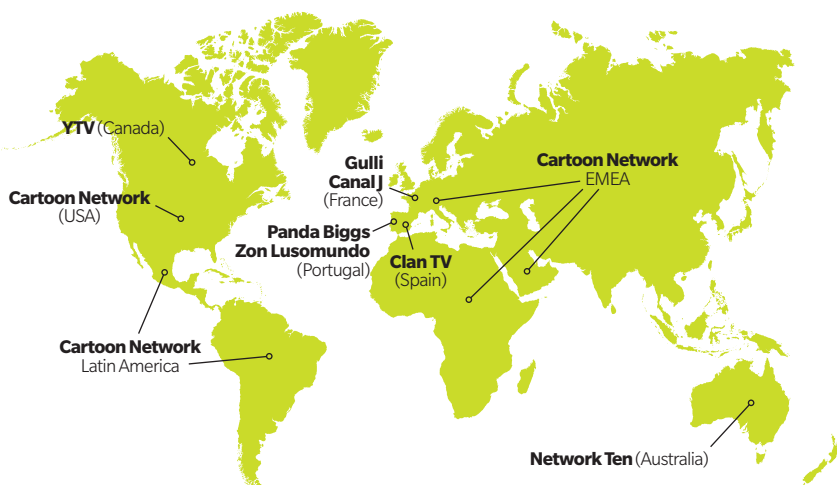
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Redakai: Conquer the Kairu



Last July, boys action-adventure series (and trading card game) *Redakai: Conquer the Kairu* bowed in North America. By the end of September 2011, its US broadcaster Cartoon Network had double-digit gains among kids two to 11 and all boy targets during the series' timeslot. And on Canuck kidnet YTV the show was the number-one telecast among boy targets in its premiere Saturday afternoon slot. The 52 x 26-minute series follows the adventures of Ky, a 15-year-old martial arts whiz on a quest to find the Kairu (a primordial alien energy force) and protect it from extraterrestrial teenage opponents in the hopes of one day becoming a great Redakai warrior. The show is now racking up sales around the world and prepping for additional launches.

On-air



Zodiak Kids sets sights on global domination for Marathon series

Staged rollout *Redakai's* staggered global broadcast and worldwide merch rollout stems from how its rights are divided. The concept was originally developed by Toronto, Canada-based toyco Spin Master in conjunction with Marathon Media Studios in France. Zodiak Kids/Marathon Media holds the global TV and licensing rights, excluding North America, which is controlled by Spin Master, as are global toy rights. Cartoon Network, meanwhile, is the IP's licensing agent in the US, Latin America and EMEA (excluding French-speaking Europe), and Zodiak Kids/Marathon manages licensing rights in France. International TV distribution (outside of North America) is handled by UK-based Zodiak Rights.

Warming up off-air Toy and hobby shops in North America play a big part in the grassroots strategy for the property. Built into the IP is an interactive trading card game, supported by a rich back story and myriad characters. The cards' Blast3D technology allows players to stack them and automatically track progress in the game. Spin Master plans to release 75 to 90 new cards with fresh monsters and characters each quarter.

"Trading card games need to take root with the core game players, who like to be trendsetters," says Patricia DeWilde, SVP of consumer products at Zodiak Kids/Marathon, who oversees the global TV and licensing strategy. The idea is that those early adopters will build enthusiasm that trickles down to a younger demo of boys six to eight, who will play with the cards on a simpler collecting and trading level and then tune into the TV series.

Territory strategy In other territories, the brand is taking a two-tiered TV launch tactic. For starters, in most European countries, the TV series is launching before the trading card game, which will go directly to specialty and mass-market retailers in countries that don't have a strong hobby store market.

Both Cartoon Network Latin America and EMEA have picked up the series (excluding Spain and French-speaking Europe) to air in early 2012. Zodiak has simultaneously been selling the show to terrestrial channels in the same territories to follow after its cable debut on CN. France, however, was the first European region to air the series (it debuted on Canal J last October). Gulli is its designated terrestrial home, where it will launch in February 2012. In Spain, the series is headed for Clan TV in April.

Next moves Working on a tight production schedule, Marathon has been delivering episodes to Cartoon on a week-by-week basis and developing online games for its European terrestrial partners. The next season is already in pre-production, and DeWilde says the story arc will include new twists that see other characters setting out on their own personal quests.

At press time, DeWilde was finalizing a worldwide console videogame deal. Zodiak has also started working up L&M plans with Cartoon for the US, and has lined up licensing deals in France to begin rolling out comic books and story books at the end of the year. —Kate Calder



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Pipeline

An early peek at shows on the development track



kids
6 to 8

Fungi Frida and Max are two regular kids who live in a fantastical subterranean apartment block called Fungihouse that's populated by an eccentric bunch of individuals known as The Undergrounders. The one thing this diverse group of neighbors has in common is that they all owe their livelihoods to the community's plentiful underground resource, fungi—special truffles used for preparing food, as well as making clothes, toys, medicine and just about anything you can imagine. Visitors can feast on Fungibars, have a fungi shampoo at the salon and buy a hat made of fungi. In every ep, Frida and Max are embroiled in solving problems or mysteries, infused with adventure, humor and imagination, that arise among their fungi friends.

Studio: Stor Fisk (Barcelona, Spain) with co-production partners Top Draw (Philippines) and Spain's Televisio de Catalunya

Style: 2D Flash animation, with a bold Scandinavian storybook aesthetic

Format: 26 x seven minutes

Budget: US\$1.6 million

Status: The series is currently in production and the first full episodes will begin rolling out in February with a full launch this fall. Mango and Paris-based Awol are splitting distribution, with Mango handling Australia, New Zealand and Asia (excluding Japan) and Awol looking after all other international rights.

preschool



Pip! Pip is a happy-go-lucky sea-pup who lives in the charming town of Salty Cove, where he spots new things to investigate daily through his telescope, which is perched on Skipper's lighthouse. Seals, pirates, jellyfish, surfers, plastic bottles, even new footprints in the sand pique Pip's interest. In each ep, he sets out to examine the curious objects and people in his community and often learns that things are not always what they seem to be. In one instance, Pip spies a guinea pig shoveling sand into his pocket. Worried that the sand will be taken away, Pip enlists his friends to confront the seemingly greedy guinea. However, they soon discover that he is merely building a sand castle, and they all join in on the fun.

Studio: CHF Entertainment (Manchester, England)
Style: 2D Flash animation
Format: 52 x 11 minutes
Budget: US\$8.5 million
Status: The series is the first project from CHF, a new venture helmed by kids industry vets Brian Cosgrove, Mark Hall and Francis Fitzpatrick. CHF is targeting a September 2013 delivery, and Fitzpatrick says his team is in early discussions with UK nets.



kids
6 to 12

Studio: Sardine Productions (Montreal, Canada)
Style: 2D animation
Format: 52 x 11-minute eps, 52 x one-minute web and mobile eps, web games and tablet apps
Budget: US\$8 million
Status: Sardine is in the early stages of development with Canuck kidcaster Teletoon and is working with the game concept's creator, Montreal-based Gamerization, to adapt the property for TV. The studio is shopping the series to broadcasters for further presales and is open to co-production partners. Sardine plans to simultaneously deliver the first *Chop Chop* web game and the short series to Teletoon for spring 2012, and then hand over the long-form series for broadcast in January 2013.

Chop Chop Ninja Sardine pulled this cross-platform concept from a series of nine online games that launched at the tail-end of 2009 and have since seen 15 million game downloads across 80 countries. The TV show stars Iro, a 12-year-old boy who wants to become a great samurai like his father. He lacks the stature and maturity to take on such a role, but Iro is stubborn and resourceful. So, disguised as a ninja, he proclaims himself to be the defender of his town against attack from all manner of creature—think dragons, three-headed whales etc.—in a very fast-paced, visual animated style.

Now Trending—Media

What's bubbling up in kid content culture

Nick courts moms

Nickelodeon is going after a decidedly older demographic with a new four-hour block scheduled to air nightly from 9 p.m. to 1 a.m. next fall. Since moms already have the channel tuned to Nickelodeon and Nick Jr. for their kids during the day, the kidnet is going one step further and vying for their attention during their down time.

NickMom will launch this fall as an ad-supported nighttime block on Nick Jr., featuring a mix of original long- and short-form programming, including talk shows, docu-series, stand-up and sketch comedy and hidden-camera shows. The net says it has 30 projects in the development hopper from a variety of producers whose credits include *The Biggest Loser*, *The Daily Show*, *You Say Tomato*, *I Say Shut Up* and *The Late Late Show with Craig Ferguson*. To tease the launch, Nick has already bowed a NickMom blog on Viacom-owned parentsconnect.com that will expand this quarter into a mom-focused humor site complete with editorial, photos, videos, gaming and community features.



Dora will make way for moms on Nick Jr.'s new comedy-centric NickMom evening block, coming this fall

Parents and teens by the numbers

- **60%** of parents see TV as a chance to connect with their teens
- **56%** of parents with 13- and 14-year-olds think some shows are inappropriate for the kids to watch
- **70%** say they check in to see what their kids are watching
- More than **75%** of teens say friends and family are most influential in deciding what to watch
- Teens co-view about **50%** of the time
- Teens co-view most often with parents (**85%**) and siblings (**77%**)

How parents monitor their 13- to 14-year-olds' TV viewing

Check on teen periodically to monitor content **67%**
 Watch TV with him/her **33%**
 Talk/discuss what teen can watch **26%**
 Block specific channels/rating/parental block **23%**
 Teen needs to get permission before watching **18%**

% of parents who monitor what their teens watch on TV

Teens 13 to 14 **68%**
 Teens 15 to 17 **38%**
 Total teens **48%**

Source: CTAM study from C + R Research

Breakaway republic

While Russia is the undisputed giant of Eastern Europe's L&M scene, the buzz at Brand Licensing in London last fall identified Ukraine as the next territory in the region to watch. Is the country poised to deliver on its promise? **BY GARY RUSAK**

consumer
products



Ukrainian retail operations (top) have modernized, while the licensed food and beverage category (right) is slated to grow throughout the territory

There is nothing that whets the appetite of the licensing business quite like the potential of a brand-new territory opening up for business. After spending the past 20 years functioning in a free market economy, Ukraine is making considerable progress towards becoming a viable market for licensed goods. Its population of 45.7 million makes it the 28th most populous country in the world, and with 70% of its citizens under 64 years old and a birth rate that's edged upwards ever so slightly (0.18%) in the

last decade, the territory might just be ready to support a vibrant consumer products biz.

"The Ukraine consumer market is pretty young," says Clara Bodin, new business development director at Plus Licens. "It has only 20 years of being a free market economy and there are still legacies from the Soviet Union—like bureaucracy, an unstable political situation and a troubled economy—that need to be overcome. But we believe that Ukraine has a chance, it will follow the rest of Eastern Europe economically, and it's really just a matter of time."

With recent numbers indicating a more stable economic outlook, including the lowest inflation rate experienced in the last eight years, the time for outside investment in Ukraine might just be at hand.

"There is definitely an increasing awareness about intellectual property rights in general and licensed goods in particular," asserts Bodin.

TV prevails, but movies drive licenses

One of the necessary conditions for fostering a licensing environment is exposure to IP, usually through TV or movies. In Ukraine, TV is the most popular medium, as internet penetration has not yet reached the mass market.

"It will take years before the internet will be able to compete with TV," says Zeljko William Krnjak, industry org LIMA's representative for New Europe. "It's a big territory and the infrastructure thus far is lacking."

While there are more than 45 TV channels broadcasting throughout the country, according to Bodin only seven of them draw the numbers capable of driving a licensing program. Inter 1+1, ICTVI, Novy Kana and TET are the highest-rated nets currently airing kids content. The sole dedicated homegrown children's channel, Malyatko TV, however, is currently only broadcast via cable or satellite and does not have penetration even close to approaching that of the terrestrials, which sit at 90%.

"At this point, it's very hard for satellite or cable to compete with free-TV. And, in general, advertisers on those channels are looking for an 18-plus audience," says Bodin. "There is much work to do to have them recognize a younger audience."

That said, a Ukrainian version of Disney Channel launched in October 2010, delivering classic US-made cartoons with a promise to develop and produce Ukrainian content to meet local quotas, and the landscape has begun to shift. "The market has been developing, and the arrival of such a giant is remarkable," said Irnya Kostyuk, head of Media Resources Management, a media consultancy based in Kiev that concentrates on the region.

Disney's entrance notwithstanding, the high cost of local production, related content quotas and restrictions on advertising makes TV a difficult environment for getting a kids IP off the ground. As such, movies have become a more logical place for potential licensors to start. To date, there are 148 different cinemas located throughout the country, and family-friendly fare tends to dominate the Ukrainian box office. Of the top 10 movies from 2011, seven of them, including *Puss in Boots*, *Cars 2* and *Rio*, were kids titles.

Grocery tops retail

"The undisputed leaders of in-store retailing are the grocery stores," says Bodin. "The major problem in the retail business is inefficient bureaucracy, low incomes and high inflation. These factors make it difficult for foreign retailers to enter the Ukrainian market."

For this reason, Bodin suggests licensors looking to enter the market are wise to choose food and grocery items to break a program in Ukraine.

The major players are still Russian-based retailers including Silpo, ATB, Epicenter and Perekrostok. There are also smaller chains that specifically cater to the kids market like Antoshka and Bodynkok Igrashok, as well as the Polish children's goods chain SMYK. "These stores sell toys, clothes, footwear, accessories, books and stationery," notes Bodin.


A unique feature of the country's retail scene is the largest wholesale market in Europe, the "7 Kilometres" outdoor market located in the capital city of Odessa. While the market is a sign that capitalism is flourishing in Ukraine, it is also the biggest retailer of counterfeited goods in all of Europe, which isn't great news for IP owners.

In terms of individual categories, despite the dominance of grocery, stationery and publishing have the most advanced licensing heritage in the region. Plus Licens country manager Oksana Pariienko, however, says the biggest growth category is licensed food and grocery. She is currently concentrating on brokering deals to bring *Madagascar 3* to chocolate, dairy goods and snack foods.

Looking ahead

As for regional IP, with the exception of *Luntik*, a Russian cartoon about two caterpillars that debuted in 2006, most of the popular properties in Ukraine are imports like *SpongeBob SquarePants*, *Naruto* and *My Little Pony*. Movie-based properties, including *Shrek* and *Madagascar* from DreamWorks, also garner their fair share of traction.

That's not to say that licensors are flocking to set up shop in Ukraine. With the exception of one, all the licensing operations for the country remain headquartered in Russia. Currently, only Plus Licens has an office in Kiev.

"We understand the peculiarities of this market and see its potential," says Bodin. "We are currently thinking of starting a country-based licensing organization to see who else is interested in joining." 





PBS preschool series *Curious George* enjoyed an 11% ratings bump in 2011 and also attracts impressive co-viewing numbers

Promo plans

PBS steps up sponsorship marketing

In the competitive race for promotional dollars earmarked for the kids television market, Boston, Massachusetts-based public broadcaster and producer WGBH has found success by dedicating a small but innovative team to securing tie-in promotions.

"We are always looking for companies that will get a lot of value out of our audience," says Suzanne Zellner, VP of corporate sponsorship for WGBH. "In the old days, companies might have looked at a sponsorship opportunity with PBS as a philanthropic buy, but that changed about eight years ago. Now it's a marketing-based decision."

Zellner has been tasked with finding what she calls "perfect fits" for unique sponsorship opportunities for PBS Kids' large inventory of children's programming that airs on PBS's 349 member stations across the US.

"We need to express to our customers that we have a big audience, the quality of the programs is phenomenal, and each program has an educational tenet," she says.

Another key selling point is the high co-viewing rates that PBS Kids' programs garner, which can guarantee partner exposure to household gatekeepers. The recent NTI Live+7 Nielsen National NPower study bears out Zellner's claim. According to the study, 75% of heads of households under the age of 49 watch WGBH-produced *Curious George* with their children. As well, the same report indicates that PBS Kids is home to the top five most co-viewed series with kids under three.

The promotional programs are typically designed to take place over a 12-month period and are hammered out as a partnership between a sponsor and WGBH's promo team.

One of the most successful recent programs involved restaurant chain Chik-Fil-A and literacy-based series *Martha Speaks*.

"For that we developed a series of books that were given out at participating Chik-Fil-A locations," says Zellner, pointing to the fact that 4.39 million books were distributed. "It really aligned the values of the series with what the corporate sponsor wanted to do."

Looking back at spring 2009, nationwide drug retailer CVS Caremark partnered with WGBH to develop a campaign for its charitable program All Kids Can, utilizing the series *Arthur*. The result was the Arthur All Kids Can Character Search, a contest whereby kids could design their own character for the series. The winner, a boy from Minnesota, brought to the small screen Lydia Fox, a little girl in a wheelchair who loves to play basketball.

The promotion also racked up more than 80 million page views and 425,000 hits to CVS Caremark's website.

The grand prize for the contest also highlights one marketing advantage that WGBH can offer potential partners. "The top prize was to have Mark Brown (*Arthur*'s creator) come to the boy's school and read a story," she says. "Access to talent is one of those types of things we can offer that more traditional TV sponsorship deals just don't include."

With a trio of new series at their disposal, including *Super Why!*, *Wild Kratts* and *Dinosaur Train*, Zellner expects 2012 to be full of new promotions. "The biggest challenge for us is there are a lot of programs out there and so many choices," says Zellner. "That's why we have to remind people that public television is a sponsorship option—it's a bit under the radar, but we have a lot to offer." —Gary Rusak

Delving into digital

Boutique UK licensing firm puts virtual brand extensions first

Many licensing agencies might see social media and digital brand extensions as an afterthought, but for UK-based AT Media Solutions it is the primary concern. "Most traditional licensing companies start with regular merchandising and have gaming and digital/social aspects making up about 20% of their business," says Simon Kay, founder of AT Media Solutions. "We flip those numbers around."

The bespoke agency, founded in 2004, considers itself a consultant in the digital space, utilizing its expertise to help brand owners best exploit the somewhat new area of business.

One of the company's most recent clients, for example, is UK-based stationery firm Carte Blanche, which has developed the greeting card-based IP From Me to You. "We have assisted them in building a

digital framework," says Kay, adding that a Facebook game is in the works for the property.

ATMS also looks at bringing digital properties into traditional real-world licensing categories. One of its biggest successes in the area is Team 17's *Worms* franchise—the agency has taken the hit videogame and moved it into toys. In fact, licensor Gaya has just launched a new plush range based on one of the weapons in *Worms*' arsenal, Super Sheep. The plush features a sound chip that plays the Super Sheep's fanfare when squeezed, and it's now available across Europe at Amazon (UK and Germany), TheGeekestLink.com (UK), Gamelegends.de (Germany), Fnac.es (Spain), GAME.se (Scandinavia) and Foregames.nl (Benelux).

"Everything we do has a touch-point in gaming," says Kay. "Whereas some of the competition doesn't

even know what *Worms* is, we were able to see that there is a market for traditional goods for that IP."

Another aspect of a modern licensing business is to work with burgeoning digital spaces to import traditional IP. For example, current client Ignite Games Technology partnered with ATMS to strike deals with car manufacturers, including BMW, McLaren and Ford, to insert their brands into upcoming video game title *SIM RaceWay*.

For Kay, navigating the new licensing landscape is as simple as "connecting the dots."

"Don't view licensing as something that can be done on its own," he says. "The more you connect things together, the better a program can be. The way to evolve a merchandising program is to build a community first, and then worry about the licensing." —Gary Rusak



Bert and Ernie spent hours in the studio recording directions for a new GPS product

Licensee Lowdown

Locutio brings character to new in-car entertainment category

Who Founded in 2004, Essex, England-based Locutio Voice Technologies has carved out a niche for itself as a provider of premium-branded voices for digital applications. Foremost, the company is concentrating on inking licensing deals to bring iconic vocals to the growing GPS market. To date, Locutio has partnered with Fox Consumer Products, Lucasfilm and Warner Bros. to have Homer Simpson, Darth Vader and Bugs Bunny dole out GPS directions. The voice packages are available as downloads through the two major GPS device brands, Garmin and TomTom. While it's difficult to estimate exactly how big the market is, it is fair to say that there are more than 15 million combined GPS units installed in North American cars.

Locutio CEO Chris Hilton says that while the business is always looking for new partners, only a select few have the iconic status that will work for the new in-car entertainment category. "You have to have a very enduring evergreen voice," he says. "Not many licenses in the world actually fit into that category."

What One license that does suit the category quite nicely is Sesame Street. After reading about the product, Sesame Workshop assistant VP of international licensing Risa Greenbaum approached Locutio about bringing Sesame Street characters into the fold.

"It was a collaborative effort," says Greenbaum. "They brought the GPS scripting to the table and we had our scriptwriters 'Sesame-ize' it."

The nine-month development process had an added element of complexity owing to the conversational interaction between co-pilots Bert and Ernie, a first for any GPS system. "It was the first time we had to create what we call true-pseudo dialogue," says Hilton. "It took us ages to get that genuine interaction. There are about 46,000 potential combinations in the Garmin script, so that took some time."

The intensive process yielded three different Sesame Street GPS voice programs—Bert and Ernie, Cookie Monster and Oscar navigation packages are now available for download for US\$12.95 apiece.

"It's a nostalgia sell to the parents and it's also is great for the kids," says Hilton. "We do think it appeals to both frontseat and backseat drivers."

The product rollout is currently focused on North America, the world's largest GPS market. Although Locutio has made translated versions of the product in the past, no concrete plans are in the works to bring the Sesame app to non-English-speaking markets.

Latest Innovation The next step is to make the Sesame characters available on smartphone GPS devices within the next three months. "The smartphone sector is really taking off," says Hilton. "By 2014, you are going to see about a billion smartphones worldwide equipped with GPS."

While downloads of the GPS programs can number in the thousands, Hilton believes that once the smartphone market is fully realized that number will grow exponentially.

What's Next "The talking car is coming closer to reality," contends Hilton. "We can see a day when the personalization and branding of the in-car experience extends beyond GPS. Imagine Big Bird telling you that you are low on gas or reading your text messages to you as you drive. The whole integration of these premium voices in this context is only going to grow." —Gary Rusak

European turmoil makes CPLG refocus for the year ahead

The new European licensing environment, predicated by the economic turmoil that's unfolding in the region, has forced some of the bigger names in the business to re-think their market strategies to more efficiently build global programs.

Euro powerhouse licensing agency CPLG is no exception. Under the tutelage of new EVP Steve Manners, the industry stalwart has shaved 25% off the contents of its property portfolio and refocused its priorities throughout its seven European and three international offices.

"We wanted to make sure that with the brands we were representing, we were able to execute to the best of our ability," Manners says. "In the past, we have had the mentality that if something is available, we should represent it. Our feeling now is, let's work on the things with which we know we can do a good job."

"Careful attrition" drove the portfolio trim, with long-term discussions resulting in some rights reverting back to the original licensors and other rights being renewed. The new strategy, adds Manners, will put more control in the hands of local agents/offices, placing the priority on tailor-making programs to reflect local territories' tastes and customs.

The notion might fly in the face of the current school of thought defined by terms like "Global Village" and "The World is Flat," but Manners asserts that territorial differences have to be respected.

"Things that work in one place don't necessarily work in another," he says. "There are nuances that have to be recognized." For example, big movie brands tend to work better in southern Europe than they do in the north, where TV brands rule. "These are the types of things we have recognized," explains Manners.

The first test of CPLG's new approach comes with highly localized programs for Classic Media's *Where's Wally* (Waldo in North America) that are set to launch in conjunction with the property's 25th anniversary in 2012. "It is a good example of something that is a slower build than what we are used to," says Manners. "It's a classic long-term opportunity with a broad demographic base, and we'll be developing local programs in Benelux, Italy, Germany and Spain."

With a new attitude in place, reflected in a trimmer portfolio, Manners is bullish on CPLG's latest pick-ups that include Chapman Entertainment's brands globally (excluding the US and Australia) and Saban Brands' *Power Rangers*.

—Gary Rusak



Who do they love?

Smarty Pants' annual *Young Love* survey tells us what brands kids will flock to in 2012

BY WYNNE TYREE

Nearly two years ago, my husband and I adopted a little boy from Ethiopia. He was 11 months old when he came to the US. He didn't yet speak, and he had never heard a word of English. Within a few months, he woke up every morning saying, "Hi-pa. Hi-pa." We assumed it was an Amharic word for bottle or "Get me out of this crib." Much to our surprise, we soon figured out that he was asking for the iPad! We couldn't decide whether to laugh at the fact that his first word was "iPad" or cry because it wasn't "Mommy" or "Daddy." Regardless, one thing was clear—our son was completely fascinated with the device.

Looking at the results of Smarty Pants' annual 2011 *Young Love* survey—a study that measures US kids' and parents' awareness, usage and perceptions of more than 250 brands—my son isn't alone. Kids' love affair with the iPad is one I witness every day in my personal and professional roles. It extends beyond fascination and puppy love to a full-blown addiction for many. So it may not be totally surprising that in 2011, kids' affection for the iPad grew more than any other brand tracked by *Young Love*.

According to our nationally representative study of six- to 12-year-olds and their parents, 35% of kids ages six to eight and 52% of tweens ages nine to 12 say they love the brand. This is a marked increase from 19% and 30%, respectively, in 2010. In fact, the high awareness, love and popularity for the iPad catapulted it to the 25th spot in 2011—it sat at 109 in 2010. Among tweens, the brand leapt from 74 in 2010 to 11 in 2011, making iPad a stronger brand than the likes



of YouTube, PlayStation and Cartoon Network, according to our top-100 list.

The growth of iPad is only part of the Apple fairytale. iPod Touch became a top-10 brand among kids and tweens in 2011, rising from the 35th to the 7th most-loved brand. It effectively pushed down entertainment brands like Nickelodeon, Disney Channel and snack-time classics like Goldfish and Capri Sun. And among tweens it now ranks second only to Nintendo's Wii!

We can't forget about iPhone, either. While only 23% of kids use an iPhone, the brand jumped from 96 to 29 in 2011, when compared to all brands among the six- to 12-year-old set. For tweens, it rose from the 44th to 13th.

Young Love rankings are based on brands' Kidfinity scores—a measurement of awareness, love and popularity. Kidfinity scores range from zero to 1,000 and have a near-perfect correlation with brand usage. Let's look at how Apple brands' Kidfinity scores rose in 2011.

	2010 Kidfinity Score	2011 Kidfinity Score	2010-11 Kidfinity Change
iPad	724	824	+100
iPhone	742	814	+72
iPod Touch	807	865	+58
Apple	775	806	+31
iPod	841	859	+18

There is no doubt that these personal entertainment platforms are having an impact on the way kids consume



media, discover content and spend their leisure time. For every minute a child plays *Angry Birds* on her mom's iPhone, for example, it's a minute she isn't logging on to Club Penguin or Nick.com. Likewise, every \$0.99 spent on an app is a dollar that makes traditional video game purchases at Walmart more unnecessary.

The rise of these platforms is also starting to affect traditional children's broadcasters, whose Kidfinity scores dropped in 2011. Across the board, Nickelodeon, Disney Channel and Cartoon Network experienced declines in kid affinity. The data suggests that mobile devices are becoming the go-to entertainment and content portals for young people. With videos, TV shows, communications, websites and gaming apps within a tap of a finger, why rely on a TV remote to satisfy only some of those desires? It's no coincidence that Droid's Kidfinity score rose by 67 points in 2011, while ABC Family's dropped by 53, Fox's decreased by 39 and Discovery Channel's fell by 22 points.

Looking into 2012, it will be critical for content and entertainment providers—both big and small—to harness the power of these devices. Developing for mobile technology, touchscreens and “the cloud” is only part of the equation. Success will also require development based on an understanding that kids and parents share their devices and want to spend quality time together—be it via Facetime, Facebook or family game night. **k**



Wynne Tyree is founder and president of Smarty Pants, LLC, a youth and family market research and consulting firm with offices in New York, L.A., Chicago and Johnson City, Tennessee. *Young Love* is a syndicated study of more than 250 brands in 20+ categories fielded among nearly 7,000 kids and families each year. For more information, visit www.asksmartypants.com.

2012 trends to watch in children's entertainment

- Continued “appification” of children's (and families') worlds
- Growing irrelevance of non-downloadable entertainment and content



- A surge in controller-less gaming alternatives—**Kinect** made an impressive brand debut at 44 in 2011 on the *Young Love* survey
- Increasingly blurred lines between “kid TV” and “parent TV”—think NickMom and The Hub



- Rising prominence of **YouTube** (up 47 Kidfinity points in 2011) as an informational and entertainment portal for kids—especially given its new partnership with Disney



- Continued success of **LEGO**—a brand with ever-increasing Kidfinity (up 23 points in 2011)—while traditional toys struggle
- And of course...the growing usage of iDevices and apps among those barely old enough to say their first words

Plugged in

Today's Millennial generation is defined by technology and a strong sense of self

BY ERIN MILLER

As we kick off a brand-new year, we thought it fitting to turn our attention to the ever-present generation, we've come to know as Millennials. Nickelodeon is well aware of the books, news articles and points of view that exist about this generation and how kids are both effecting and being affected by the culture around them. What we feel separates our research from others is our focus on the full age spectrum of Millennials, which we define as eight- to 29-year-olds born between 1982 and 2002. This approach allows us to draw comparisons between first-wave and last-wave Millennials. In partnership with Harvest Research Group, this Kaleidoscope article takes a look at the defining attributes of this generation and what contributes to its success, both personally and as a group.

If you were to ask today's teen or young adult to describe their peers, "plugged in" would probably be among the first responses—a clear nod to an age group that knows no world without the internet. For most, technology defines their generation and they take great pride in being so internet-savvy and quick to adapt to new devices. Many also credit the internet for what they perceive to be their generation's global perspective. They're not only more aware of different cultures, movements and events around the world, but more personally connected to people, organizations and issues as well.

Technology is just one trait that Millennials feel defines their generation. A wide range of attributes, both positive and negative, surfaced when talking to this group. Millennials, as a cohort, commonly described themselves as expecting immediate gratification and being bored, self-centered, lazy, over-protected, not good with money and approval-seekers. Most Millennials fully embrace opportunities to express their opinions, however popular or unpopular they may be. In fact, findings suggest that many buy into the stereotypes, both negative and positive, ascribed to their generation, though a sizeable number see themselves as the exception than the rule. As further evidence of Millennials' strong sense of self, significantly more eight- to 14-year-olds today (78%) describe themselves as smarter than their peers, compared to youth of the same age measured in 2000 (60%).

For most Millennials, success is essentially synonymous with happiness, and is accomplished by achieving individual, self-set goals. This is a generation for whom the American Dream is about exercising control over one's own life and being happy. In essence, happiness plus control equals success.



Photo: PictureYouth

nickelodeon
KALEIDOSCOPE
REFLECTING TRENDS...TODAY AND TOMORROW

Last-wave (ages eight to 14) and first-wave (ages 21 to 29) Millennials differ somewhat, although these differences are most likely due to life stage. With age, the importance of fame, fortune and fun wanes in favor of intangible ideals. In addition to happiness and control, the top ways success is defined are: being good at your job; being happily married; living life on your own terms; having fun; helping friends/family financially; having kids; and having lots of money.

In addition, several of the signs of success and accomplishment among this crop of eight- to 14 year-olds reflect an interesting shift over the past 10 years. Success has taken on a more insular definition for last-wave Millennials, implying a greater focus on self than others. Even the findings for today's 18 to 24s, who were considerably more selfless in 2000, suggest a greater propensity for taking care of one's own before others.

From Millennials' perspective, if they're confident in their own ability, believe they can accomplish whatever they want through hard work, and deem that life is in their own hands, then success and happiness will be theirs. Additionally, while 91% of Millennials believe their success is at least 50% in their control, half of this generation is confident that they are 80% to 100% in control of their own success.

Next time, Kaleidoscope will dive into understanding the appeal of celebrity among kids. **k**

For more information, contact Kaleidoscope@nick.com

(Source: Harvest Research Group, July 2011. Qualitative sample size: eight focus groups among 8- to 29-year-olds; online message boards. Quantitative sample size: N=3,339 Millennials and 665 parents.)

In an effort to keep you in touch with our audience and give a voice to our consumers, the Brand and Consumer Insights Department at Nickelodeon Kids & Family has created Nickelodeon Kaleidoscope. Every month, Kaleidoscope will capture key areas of interest across the kid and family cultural landscape, provide an understanding of attitudes and behaviors and report on trends and buzz.



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Muse of the Month

Imagination helps Mia's big move



Photo: Cinnamon Adams

Media can take a lesson from kids on adapting to new environments

When you're seven, you think you've finally got a handle on things. You know your place in your family, have a group of friends, and can probably point the way to local landmarks like the park or the grocery store. Life is a comforting routine filled with school, play dates and family rituals. So what happens when that grounding environment goes away? Kids adapt. They are hard-wired to do so.

Mia's family recently moved from Connecticut to Illinois. In her new city, she had no friends, and was the new girl in school. Early in the school year, she found a respite from loneliness during recess by unwittingly developing a brilliant form of behavioral adaptation—she pretended. She and her invisible dog, Fort (named for Fortinbras from the classic elementary school novel *A Wrinkle in Time*), played imaginative, über-fun games together, intriguing her classmates. Their interest bolstered Mia's confidence to invite them to play along.

Mia's coping method was actually a very sophisticated maneuver, but she described it simply; "I play with them, and then I start to like them." Perhaps that's a way for media to get under kids' skins as well—intrigue them, orient them, invite them in to play and then earn their affection.

Mia is now happily settled into her new social surroundings. Of her friends, she says, "They're nice to me. They play with me. We make up if we're sad. They make me feel better when I cry." As for Fort? Chances are he is about to head off on a far-away adventure.

—Sarah Chumsky and the team at Insight Kids



Insight Kids is a research-driven strategy firm that inspires its clients to build innovative and impactful experiences for kids and families. For more information find us at www.insightkids.com and www.insightstrategygroup.com

Cool or Not? The virtual worlds edition



Moshi Monsters

5-year-olds (59)	6-year-olds (68)	7-year-olds (69)		5-year-olds (72)	6-year-olds (74)	7-year-olds (76)
20.3%	29.4%	27.5%	Totally un-cool *	15.3%	23%	23.7%
10.2%	23.5%	24.6%	Kinda cool *	26.4%	29.7%	31.6%
69.5%	47.1%	47.8%	Totally way cool *	58.3%	47.3%	44.7%
52.8%	46.9%	45.2%	Don't know what it is	42.4%	42.2%	39.7%



Webkinz

* Excludes "Don't know what it is" responses



Cool or Not? is part of KidSay's 2011 Young Kids 5-7 Year Old Trend Tracker. These one-of-a-kind research reports are published 10 times a year and provide a quantitative and qualitative picture of kids' likes, dislikes and trends gathered through in-school surveys with US kids ages five to 15. Contact Bob Reynolds (913-390-8110 or bob@kidsay.com).

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Anatomy of a Hit: Angry Birds

Call it the little app that flew! With 500 million downloads and counting, Angry Birds has moved well beyond the App Store and into the mainstream pop culture. With plans already underway to further extend the virtual brand into the real world, this panel will look at how Rovio is managing the branding, entertainment, licensing and promotion of this hot property. Join **Rovio North America GM Andrew Stalbow**, **promotion & branding lead Larry Seidman** and **Claes Kalborg**, **SVP of brand & licensing strategies** for this can't-miss lowdown.



Virtual World Case Study: Club Penguin

With more than 150 million registered users worldwide, Club Penguin has been leading the kids virtual world pack for the past five years. **Chris Heatherly**, **VP of product development and franchise at Disney Interactive Media Group**, will tell us how the site keeps kids coming back for more during this in-depth look at Club Penguin and its brand extensions—why it works, how it works, and what new features we can expect to see next year.

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The name game

BY WENDY
GOLDMAN GETZLER

Big changes in the mobile space are providing developers and publishers with lots of opportunities to create digital products, while consumers are left scratching their heads over what to call them

With more than 500,000 iPhone and 200,000 Android apps available for download at the tap of a finger, it's clear that there's no shortage of mobile entertainment options for kids. Yet with this massive wave of content development, the lines between what

constitutes an app, an eBook or an enhanced eBook are blurring, especially when it comes to children's publishing.

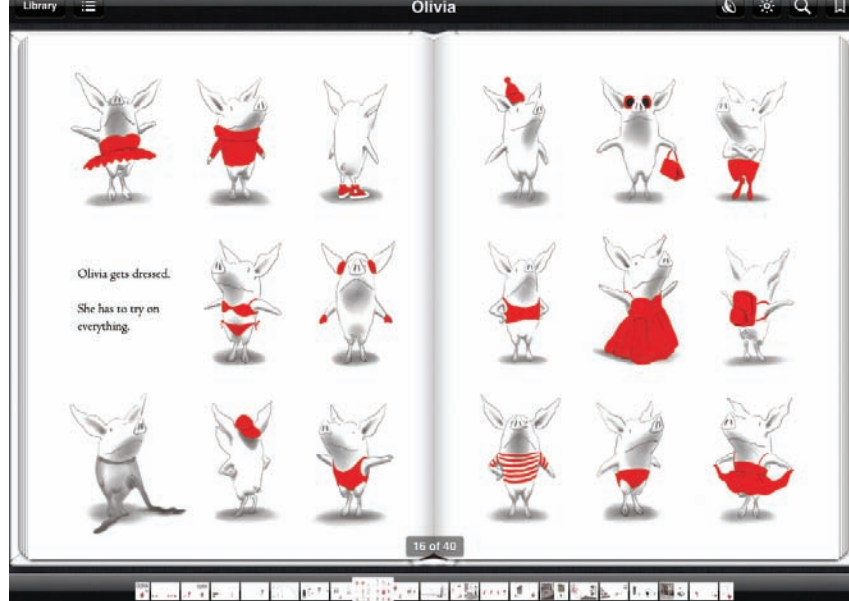
There are currently no set standards issued to US publishers and developers when it comes to digitizing book content. Scholastic, for instance, has recently teamed with year-old developer Ruckus to create a new imprint whose products run the gamut from fully interactive apps, enhanced eBooks and standard eBooks to traditional books printed on paper.

"The labels for all of these buckets are being redefined," says Jason Root, chief content officer at Ruckus. The Connecticut-based company views most of its digital products as interactive storybooks, but the more interactive they are, the more they are marketed and sold as apps. For instance, Ruckus' recently produced pop-up book *Spot the Dot* by author David Carter—which encourages preschoolers to find a red dot within a nested play space—is classified as an interactive storybook app. Digital products with limited interactivity, such as touch-activated animations, are deemed to be enhanced eBooks, and the company's straight-up eBooks are essentially scans of existing printed books.

"There are different elements involved in creating an app versus an eBook, and there are different categories of apps and licenses that you can gather," Root says. "There is a spectrum and it keeps changing, and that's what makes it such an evolving landscape."

Unlike Scholastic's ongoing venture into apps, publishing giant Simon & Schuster sees itself evolving with the space through eBooks. The company makes each of its picture books—when it has the applicable licensing rights—available as a digital eBook, and its in-house team currently develops for all major platforms, including the Barnes & Noble Nook Color, Amazon Kindle and Kindle Fire, and the iPad.

"At the beginning of 2011, the only place you could fully experience a digital picture book was the iPad. But now the




Nook Color and the Amazon Fire can offer that experience, too," says Mara Anastas, VP and deputy publisher at Simon & Schuster Children's Publishing. "We're not in the business of apps aside from using them for marketing vehicles," she says. "We're trading things for the electronic bookstore, and those kinds of enhancements don't work on an eBookstore platform."

Still, Anastas says eBook production is far from cheap, as digitizing all of the artwork is an arduous process. "There is an ongoing perception that eBooks are free to make, but that's really not the case," she says. In fact, her division is also spending on acquiring licenses, such as Ian Falconer's Olivia, which has inspired six eBooks. Anastas adds that licenses are an integral part of the company's digital publishing strategy in 2012 due to their brand recognition and the resulting titles' reasonable price points, which run from US\$5.99 to US\$12.99 apiece.

Licensed content is also a fundamental part of California-based zuuka's business plan. The developer entered the children's app market three years ago with its iStoryTime platform, which now supports more than 130 book apps in the iTunes App Store.

Co-founder Graham Farrar believes third-party developers have major opportunities today to take on licenses and create original IP for large publishers and other companies.

"DreamWorks has as much interest in making kids apps as they do in making stuffed animals," Farrar says. (As far as royalties go, he says standard licensing deals in digital publishing currently yield rates between 10% and 25% for licensors.)

And emerging tablets like the Nook and Kindle Fire are only increasing opportunities for developers like zuuka, which is growing its library for the two-month-old Nook Tablet with seven apps already out of the gate. These devices are also muddying the waters when it comes to terminology. "The Nook presents its products, whether they are apps or eBooks, in the same way. Our Smurfs app, for instance, is featured as an eBook," Farrar says. But he contends these sorts of distinctions are for developers to decipher, not consumers. "People see no difference between an eBook and an app. Consumers only care about function." 



New Kid in Town e-commerce gets crafty

The idea When Sandra Oh Lin began hosting arts & crafts-themed potluck parties two years ago she knew she could bring something more to the table. As a parent and the former GM of eBay Fashion, Oh Lin saw an opportunity to make real-world children's activities accessible through an online subscription service that would essentially steer kids to the mailbox and lure parents away from craft stores. So with US\$2 million in Series A funding from First Round Capital, Oh Lin and fellow e-commerce vets Yu Pan and Yael Pasternak Valek brought that very idea to life last October through Kiwi Crate.

Outside the box "Like many parents, I'm a big fan of hands-on activities, but I struggled with having time to come up with ideas and collect materials," says Oh Lin. For a monthly subscription of US\$19.95, Kiwi Crate members receive one arts & crafts and/or science-themed kit every month that's packed with various activity materials and corresponding instructions. The contents of each Kiwi Crate are tailored to the age of the recipient, who is typically between three and six years old. Given the young demographic, parental involvement is key to Kiwi Crate—the kits themselves are designed by a team of participating parents who follow activity principles suggested by child development consultants. The crate materials are then sourced from US vendors and assembled in-house at the company's Mountain View, California HQ.

New touches While Kiwi Crate's lifeline is rooted in the physical world, the online social aspects of the concept are undoubtedly primed for growth. "We love the idea of encouraging kids to go back to the site, and we see a lot of them wanting to learn more about a theme," says Oh Lin. As such, more social features are on the way, and it doesn't hurt that co-founder Yael Pasternak Valek is a founder of Maya's Mom, the social network acquired by BabyCenter in 2007. While growing a membership base is Oh Lin's primary goal at the moment, she says Kiwi Crate's broader vision is to continue weaving online and offline activities through mobile apps as well as educational opportunities. "But we will always want to have a real-world element involved," she adds.

—Wendy Goldman Getzler

The Digits

Numbers that speak volumes about kids and technology

Kids ages zero to eight spend more than **25%** of all screen time with digital media, including computers, handheld video game players, cellphones and tablets (Common Sense Media)



The **iPad** once again topped kids' wish lists this past holiday season, with **44%** of six- to 12-year-olds expressing interest in the product (Nielsen)



Photo: Andres Rueda

Bad credit:
23% of children admit to covertly using their parents' credit cards to shop online for games, music and tickets (Norton Online Family Report)

The number of social gamers in the US is expected to reach **73.6 million** by 2013 (eMarketer)

Nearly 70% of teens who use social media find that their peers are **mostly kind** to one another on social networking sites (Pew Internet)

Add as Friend

TechWatch Keeping an eye on the gadget scene

Inching toward the iPad?



What it is

Elbowing its way into an increasingly crowded kid-friendly tablet market is the new Nabi Pad, a US\$200 Android-powered tablet from California-based developer Fuhu and mega retailer Toys 'R' Us that can be specifically tailored to the age of its user—including Mom.

How it works

The tablet comes pre-loaded with 15 games and 30 eBooks and features its own Nabi App Store that houses more than 500 kid-friendly apps. Parent-controlled content like movies, music and books is accessible via oversized touchscreen buttons and can be customized for kids as young as three and as old as 11.

What it means

Perhaps what sets the Nabi apart from competitors like the LeapFrog LeapPad is its ability to straddle between Kid and Mommy Mode. The latter allows full web and App Store access, making for a true co-playing device that's a much cheaper alternative to iPad. And with Toys 'R' Us serving as the exclusive retail partner for the device and its accessories, it's clear the playthings giant is stepping up its electronics game.



Rule Britannia?



Multi-partner co-pros like *Tickety Toc*, from Zodiac's The Foundation and Korea-based FunnyFlux Entertainment, may just be what's driving business forward in the UK, as funding tightens up in the territory

UK animation studios and rights holders look for solid footing amid a competitive global market and a lack of domestic funding

BY KATE CALDER

It's no secret that the UK animation industry is in a spot of trouble right now. According to *Securing the Future of UK Animation*, released this fall by Animation UK, as much as 40% of the animation companies located in the territory were either just breaking even or losing money in 2011. The 64-page report, based on quantitative and qualitative research culled from UK stakeholders (large animation producers and small studios alike) not only gives government policy makers a clear picture of the region's animation landscape, but it also does a good job of articulating the frustrations that have been percolating there.

Animation UK, formed in 2010 to represent the territory's animation industry and lobby the British government for fairer trading conditions, emerged on the heels of a tumultuous five-year period that's seen some of the UK's best and brightest animation companies falter. It's left the industry wondering how its top-notch content can survive with fewer domestic broadcasting slots, while operating in an increasingly competitive global market.



Scoring big ratings on CBeebies, *Everything's Rosie*, produced by V & S Entertainment, is one of the recent homegrown success stories for the UK industry

The UK animation industry currently employs 4,700

people, generates US\$469 million in annual revenues, and is also a key contributor to the territory's US\$1.5 billion videogame industry, US\$219-million DVD market, US\$740-million children's book business and US\$1.1-billion toy market. (Amounts are approximations based on 2011 British to US currency exchange rates.) Despite such robust appearances, *Securing the Future* estimates that 28% of UK animation companies have gone out of business or left animation in the last three years. In fact, hundreds of column inches have been dedicated to the numerous high-profile closures and restructures racked up during this period that have consequently changed the shape of the entire industry.

One of the first high-profile victims, Cosgrove Hall Films, founded in 1976 and responsible for producing iconic UK toons *Postman Pat* and *Noddy*, was shuttered in 2009. Parentco and British terrestrial broadcaster ITV readily cited

the dwindling commissioning budgets available for animation and increasing competition from overseas imports as reasons for the closure. But more recently, the turmoil in the British and European financial capital markets that's making creditors arguably more cautious and reactionary than ever before has forced the hands of several perceived UK success stories.

Notably, despite earning an aggregate profit between 2007 and 2010, thanks to hit preschool properties *Fifi* and the *Flowertots* and *Roary the Racing Car*, Chapman Entertainment had to extensively restructure its licensing, marketing, production and finance teams when a proposed buyout failed to materialize last July. Although it laid off a raft of employees, the prodco continued on with production on upcoming CBeebies series *Little Charley Bear* and *Raa Raa the Noisy Lion*. Despite the changes, the company has announced that it remains optimistic, especially for the the rollout of *Roary the Racing Car* products in Toys 'R' Us across the US this year.

London-based prodco and rights management firm Chorion, meanwhile, collapsed last fall under the weight of its own debt—which reportedly sat at US\$113 million against US\$7.67 million in annual earnings—even with a new homegrown CBeebies hit series on its hands with *The Octonauts*. It went into administration in September 2011 and its remaining assets were broken apart and sold off by December. (Former chair Lord Waheed Alli, however, did manage buy the representation rights to *The Octonauts* and upcoming preschool series *The Tales of Peter Rabbit* through his new company Silvergate Media, so that story is not quite over.)

And the most hotly reported sale of the season turned out to be Mattel's US\$680-million buyout of HIT Entertainment from private equity firm Apax Partners, which was looking to cash out after its 2005 purchase of the entertainment company for £489.4 million (roughly US\$1 billion at 2005 exchange rates). Top performer *Thomas & Friends*, as well as *Barney*, *Bob the Builder*, *Fireman Sam* and *Angelina Ballerina*, are now being placed under the Mattel umbrella. Rumors surrounding a HIT sale emerged nearly 12 months prior, at which point the company was valued at more than US\$1 billion. At press time, the deal was in the last throes of being finalized, but there was no word about the fate of HIT's New York and London offices or its senior executive team.

UK kids TV—a short history

The total hours of new UK-produced kids programs broadcast on commercial public service channels **has decreased every year since 1999 by 25%** (*Securing the Future of UK Animation*)

First-run UK-originated public broadcast children's content fell from **1,745 hours in 2005 to 1,502 hours in 2009** (2010 Public Service Broadcast report, Ofcom)

The Broadcasting Act of 2003 removed ITV and Five's public service obligations to carry children's series. **Ofcom's 2006 decision to ban junk food advertising** during kids programming pushed ITV to fill the airwaves with ad-friendly shows and move its kids content to digital channel CITV.

BBC Children's is now virtually the **last-standing terrestrial commissioner** of domestic animation



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The success of *The Octonauts* on CBeebies and its related products at retailers wasn't enough to keep original producer Chorion afloat—the series was recently purchased by Lord Waheed Alli after his departure from the company

HIT COO Sangeeta Desai says late 2010 was good time to start looking at a sale, based on the back of very robust Thomas & Friends consumer products revenues generated that year. She explains that the management team had been preparing for its inevitable exit since the 2005 acquisition, as venture capital firm Apax would eventually look to recoup its investment. "It's a testament to the strength of our brands that our ultimate buyer was a consumer products company—it underscores the strength of our consumer products sales," says Desai. (The 66-year-old Thomas brand currently ranks as one of the top licensed preschool properties in the world and reaches roughly one billion households worldwide through programming and DVDs. And with more than US\$180 million in annual revenues, HIT represents one of the largest indie owners of preschool IP.)

"The industry in the UK has gone through some structural changes," Desai admits. "TV commissions have decreased, the home entertainment industry is changing. What that has meant is that consumer products revenue streams have become all the more important."

The squeeze from the recession experienced by the local animation industry, says CEO of Zodiak Kids' UK operations Nigel Pickard, is being compounded by the influx of

producers and IP holders into the preschool arena—all of whom are competing for fewer broadcast opportunities.

"So we've got an interesting and difficult dynamic going on, which has too many of us pitching for far too little," says Pickard. "British producers, in the meantime, are beating paths to Canada, Singapore, Australia and anywhere else they can get a tax break, which means work is leaving the UK," he contends. In fact *Securing the Future* found that 64% of its respondents blamed work lost to international competition as the main threat facing UK animation producers, second only to the reduction in broadcast commissions at 68%. The report also points out that numerous governments around the world now provide substantial financial support for their animation industries. Tax credits, investment funds and quotas available in countries like Canada, France and Ireland not only underpin and help grow the animation sectors in those countries, but often fund 20% or more of a production budget.

As many industry members lament, support and incentives in the UK are virtually non-existent. The report also suggests that reliance on alternative revenue models, like co-productions takes its toll on the industry. With co-pros, UK producers often outsource most of the animation work to offshore service providers, surrender IP and revenue rights, and incur co-ordination costs that can leech away a UK firm's expertise and highly skilled animators, so the report states.

"The big argument is that it's not a level playing field," explains Jeanette Steemers, co-director of the communications and media research institute at the University of Westminster and author of *Creating Preschool Television: A Story of Commerce, Creativity and Curriculum*, released in 2010. "Creating co-pro partnerships with places that have good tax breaks not only means sharing revenues, it also shifts and dilutes the cultural content."

Of course, a big part of the problem is the fact that there are not enough commissioning opportunities for UK-grown animated series. In fact, ITV-owned CiTV only recently threw its hat back into the commissioning ring after ceasing to invest in original programming between 2006 and 2010. (ITV1 nixed its kids tea-time block six years ago and moved kids content to diginet CiTV.) While CiTV program manager Jamila Metran explains that ITV now airs a CiTV block on weekend mornings, and there are currently more hours of preschool programming available on the digital channel than ever before, the fact remains that CiTV can commit to just three commissions per year, including preschool and older-kids series. A funding plan also has to be in place before Metran can give the greenlight, and often those deals are synced with rights exploitation arm ITV Global, which looks to pick up licensing and merchandising rights to CiTV original series. Finally, Metran isn't in a position to fully finance a show. "Depending on budget, I try and go up to 20%, but the producers have to go out and find partners from places like Canada, Australia and Ireland, where they can take advantage of tax breaks," she notes.

Given that UK cabsat nets like Nickelodeon, Nick Jr., Disney Channel and Cartoon Network are in a similar position to CiTV when it comes to commissioning (and their market share is a fraction of terrestrial outlets), BBC Children's is often perceived as carrying the weight of the industry. It's true that when it comes to preschool animation, for example, BBC's CBeebies dominates the market. But the channel can only provide between 10% and 24% of the production budget for shows it commissions, despite having its commissioning pot bumped up from roughly US\$28.1 million in 2006 to US\$45.4 million in 2010.

"It is a big role," says CBeebies controller Kay Benbow. "I simply can't take all the good ideas I'm pitched, not because they're not good ideas, but because I don't have the money or the slots to do everything," she adds. CBeebies caps the spend on acquisitions at 20% of its annual budget and also fulfills a remit to broadcast live-action programming that reflects the lives of British children.

Though it's impossible for every UK producer to rely on the BBC, there may be a silver lining to its success and reputation with producers and parents alike. "If the BBC is really good, it encourages the other players to up their game," says Westminster's Steemers. She says other research has shown that Disney and Nickelodeon tend to invest more in original programming in countries with strong public service broadcaster competition, particularly in preschool. "Disney Junior and Nick Jr. see CBeebies as their rival, and they want to be trusted by parents as well," she says.

The irony of the situation is that the increasing reliance on co-productions, which Animation UK currently decries, may be the thing that keeps the industry vital, relevant and healthy moving forward. Put simply, broadcast license fees paid for TV animation typically cover less than 25% of production costs and there are no new government incentives in sight, so UK producers have to look beyond their borders and hatch creative funding models to survive.

Take London-based indie prodco and brand management house Coolabi, whose most recent series *Poppy Cat* was commissioned by Nick Jr. UK and has since landed on PBS Kids Sprout in the US, Disney Latin America and Al Jazeera Children's Channel. The company just finalized a US\$7.7-million management buyout by shareholder Edge Performance that will take the company private. Director of content Michael Dee says Coolabi has found stability with the move that gives it immediate access to US\$1.5 million. The cash infusion will allow the company to further invest in its portfolio of brands, develop new properties and grow the business through strategic acquisitions.

"They are buying into the team that is here now and have loads of confidence in what we're doing," says Dee. Moving forward, he adds, Coolabi has to hone its focus on international markets, even though it's a UK-based company. "People have to be sharper and smarter about territories that are growing, like South America and Asia," he contends.

Scotland-based Red Kite Animation, for its part, decided to go one step beyond locating international co-production partners, and found a strategic backer in August Media. The prodco became a subsidiary of the Singaporean company in September 2010.


"The need to look for investment finance that would be more risk-friendly inspired the decision," says Ken Anderson, creative director at August Media Holdings and founder of Red Kite Animation. He turned to Asia for potential partners because the region was ripe with companies aggressively looking to fund projects and get involved in the sector. Red Kite now focuses on animation production, while August Media serves as the holding company that takes on business development and investment opportunities. The new entity has already forged an extensive deal with Classic Media to develop and produce up to 10 series based on the US rights holder's properties such as *George of the Jungle* and *Richie Rich*, and the agreement represents up to US\$60 million in production investment.

"What's happening is that broadcasters are realizing that August Media can actually raise the financing to get things made," says Anderson. "To be able to sit down and say that we'll bring 40% of the budget to the table, and we've already got a broadcaster involved, is very useful."

For Marie Chappelow, director of sales and acquisitions of children's content at London-based Parthenon Entertainment, exercising caution and keeping a diverse portfolio is key with both kids and factual programming.

"It's important not to over-stretch and over-commit," says Chappelow. "We're working with various people on any single project and using our international reach to help finance productions." This past fall the 10-year-old producer and distributor embarked on its first co-production, *Big Bear and Squeak*, with Welsh animation house Dinamo Productions and a presale to Knowledge Network in Canada.

The company also took on homegrown *Olly the Little White Van*, a co-pro with UK-based Ideas at Work and Blink Animation Studios. "You have to be selective and make sure that when you take on a series, you can give it maximum focus," says Chappelow.

Animation UK predicts that without funding initiatives similar to those in other countries, animation production will continue to move overseas through co-productions, while long financing lead times will reduce the number of projects that get off the ground. It contends pre- and post-production work will also diminish, and more studios and animators will simply withdraw from the market. The organization is lobbying for a tax credit modelled after the existing Film Tax Credit, which allows domestic production companies to claim a payable cash rebate worth up to 20% of UK expenditure. A full 83% of the report's participants agreed that an animation tax credit would have the potential to make a real impact. "It's not like we're starting with a new industry," observes Coolabi's Dee. "We have a great industry—we just need to keep it going. It would be awful to throw that all away." 

UK producers weigh in on the biggest threats to the biz

Reductions in broadcast commissions
68%

Losing work to international competitors
64%

Access to financing
60%

Managing cash flow
30%

Volatility in the work received
26%

Losing staff to other industries
15%

Losing staff to international competitors
13%

Lack of creative talent
11%

Lack of business and commercial skills
11%

(Source: *Securing the Future of UK Animation*)

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- Gumball creator **Ben Bocquelet** reveals his reaction to the news of his Cartoon Network pick-up
- Red Kite CEO **Ken Anderson** on the challenge of finding funding for UK animation right now
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